

EXPLANATION OF TRANSACTION AND PUBLIC INTEREST STATEMENT

As set forth in this FCC Form 608 application, TDI Acquisition Sub LLC (“TDI”), a wholly-owned indirect subsidiary of T-Mobile US, Inc. (and with TDI “T-Mobile”) is the licensee of Business Radio Service (“BRS”) call sign B238 and lessee of Educational Broadband Service (“EBS”) call sign WLX634 (*See* FCC Lease ID L000042410) (“T-Mobile Licenses”), and Fulair is the lessee of EBS call sign WNC749 (*See* FCC Lease ID L000020109) (“Fulair License”). By this application, T-Mobile and Fulair seek Federal Communications Commission (“Commission”) consent to the short-term *de facto* lease of the BRS1 channel from call sign B238 and sublease of Channels A1-A3 from call sign WLX634 to Fulair and the short-term spectrum manager sublease of Channels D1-D4 from call sign WNC749 to T-Mobile including the DJ1-DJ3 Guard Band channels. The instant transaction will result in the exchange of leasing rights for the above-referenced licenses to facilitate 5G deployments for the T-Mobile Entities and more robust fixed broadband service for Fulair in the Lake Charles, Louisiana area.

Description of the Parties

TDI is a wholly owned subsidiary of T-Mobile USA, Inc. and, indirectly, T-Mobile US, Inc., (collectively “T-Mobile”) a U.S.-organized, publicly traded company and part of the family of companies that operate under the T-Mobile® brand names. Deutsche Telekom AG (“DT”), a publicly traded German company,¹ directly holds approximately 5.40 percent of T-Mobile US. DT also indirectly holds approximately a 44.3 percent interest in T-Mobile US through its wholly owned subsidiary T-Mobile Global Zwischenholding GmbH. This subsidiary owns all of the equity and voting interests of T-Mobile Global Holding GmbH, which owns all of the equity and voting interests of Deutsche Telekom Holding B.V., which in turn holds the approximately 43.6 percent interest in T-Mobile US. DT has *de facto* control over T-Mobile – and thus Applicant – as a result of proxy agreements that authorize DT to vote a majority of the stock of T-Mobile. As a result, DT is deemed to indirectly hold 100 percent of the ownership interests in TDI.

Led by a management team with decades of collective experience in the telecommunications industry, T-Mobile, headquartered in Bellevue, Washington, offers nationwide wireless voice and data services to consumer and business customers and provides service to 113.6 million customers.² The Commission has repeatedly found that TDI and its

¹ Germany is a signatory to the World Trade Organization Basic Agreement on Telecommunications.

² *See* Press Release, T-Mobile Delivers Industry-Leading Customer, Postpaid Service Revenue and Cash Flow Growth in 2022, Setting Up Strong 2023 Outlook, T-Mobile (February 1, 2023), <https://investor.t-mobile.com/events-and-presentations/news/news-details/2023/T-Mobile-Delivers-Industry-Leading-Customer-Postpaid-Service-Revenue-and-Cash-Flow-Growth-in-2022-Setting-Up-Strong-2023-Outlook/default.aspx>.

controlling companies have the requisite character and qualifications to hold Commission authorizations.³ An FCC Form 602 providing current ownership information for T-Mobile US is on file with the Commission.⁴

Fulair provides high speed internet services to residential and business customers in the Lake Charles, Louisiana area. An FCC Form 602 providing current ownership information for Fulair is on file with the Commission.⁵

Transaction Description

T-Mobile and Fulair are currently parties to a Short-Term *De Facto* Transfer Lease Agreement, a Short-Term *De Facto* Transfer Subleasing Agreement and a Short-Term Spectrum Manager Subleasing Agreement (“Lease Agreements”) for the exchanged use of 2.5 GHz spectrum whereby each will operate wireless facilities on each other’s spectrum, subject to the Commission’s approval. T-Mobile and Fulair will continue to operate their own wireless networks in the Lake Charles, Louisiana area, but with the instant leases and subleases in place, T-Mobile and Fulair will have access to greater spectrum contiguity which will enable enhanced broadband capacity for each.

The transaction includes Broadband Radio Service (“BRS”) and Educational Broadband Service (“EBS”) license areas covering parts of four Cellular Market Areas (“CMAs”)⁶ including

³ See *Applications of T-Mobile US, Inc. and Sprint Corporation for Consent to Transfer Control of License and Authorizations*, WT Docket No. 18-197, Memorandum Opinion and Order, Declaratory Ruling, and Order of Proposed Modification, FCC 19-103 (rel. Nov. 5, 2019) (“Merger Approval Order”).

⁴ See FCC File No. 0010450774. Based on prior guidance from the Wireless Telecommunications Bureau, the Form 602 filing for T-Mobile satisfies the ownership reporting requirements of Sections 1.919 and 1.2112(a) of the Commission’s rules for its wholly-owned subsidiaries. See 47 C.F.R. §§ 1.919, 1.2112(a); see also *Wireless Telecommunications Bureau Answers Frequently Asked Questions Concerning Reporting of Ownership Information on FCC Form 602*, Public Notice, 14 FCC Rcd 8261, 8264-65 (WTB 1999) (“Form 602 FAQ’s”).

⁵ See FCC File No. 0009425716.

⁶ CMA101 (Beaumont), CMA197 (Lake Charles), CMA458 (LA 5-Beauregard) and CMA668 (TX 17-Newton). See Exhibit 2 (Spectrum Aggregation for T-Mobile) and Exhibit 3 (Spectrum Aggregation for Fulair).

six parishes in Louisiana and two counties in Texas.⁷ In the six Louisiana parishes T-Mobile will sublease the EBS channels A1-A3 associated with leased call sign WLX634 and lease the BRS1 channel from call sign B238 (except Vermilion Parish) to Fulair. Fulair will sublease to T-Mobile EBS channels D1-D4 associated with leased call sign WNC749. In addition, Fulair will sublease the DJ1-DJ3 Guard Band channels from call sign WNC749 to T-Mobile. In combination with their existing holdings, this exchange provides Fulair with 22.5 MHz of contiguous spectrum at the lower portion of the 2.5 GHz band from 2496 to 2518.5 MHz, while T-Mobile will have access to a 171 MHz block of contiguous spectrum from 2518.5 MHz to 2690 MHz, spanning the lower, mid- and upper portions of the 2.5 GHz band.⁸

Summary of Spectrum/Channel Gains for both T-Mobile and Fulair

The following chart summarizes the channels and spectrum gained by both T-Mobile and Fulair on a county-by-county basis.

T-Mobile Gains					Fulair Gains			
County	Additional Channels Gained	Channels Already Covered by Existing Licenses and Spectrum Acquired in Auction 108 (Gain of Additional Area Only)	De Minimis Area Gained (not counted)	Total Additional Attributable Spectrum Gained	Additional Channels Gained	Channels Already Covered by Existing Licenses (Gain of Additional Area Only)	De Minimis Area Gained (not counted)	Total Additional Attributable Spectrum Gained
Orange		D1-D4		0 MHz				
Calcasieu	D1-D4			23.5 MHz	BRS1, A1-A3			22.5 MHz
Allen		D1-D4		0 MHz	BRS1, A1-A3			22.5 MHz
Beauregard		D1-D4		0 MHz	BRS1, A1-A3			22.5 MHz
Cameron		D1-D4		0 MHz	BRS1, A1-A3			22.5 MHz
Jefferson Davis		D1-D4		0 MHz	BRS1, A1-A3			22.5 MHz
Vermilion		D1-D4		0 MHz			A1-A3	0 MHz
Newton		D1-D4		0 MHz				

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⁷ Calcasieu Parish, Allen Parish, Beauregard Parish, Cameron Parish, Jefferson Davis Parish, Vermilion Parish, Orange County and Newton County. See Exhibit 2 (Spectrum Aggregation for T-Mobile) and Exhibit 3 (Spectrum Aggregation for Fulair).

⁸ T-Mobile is retaining access to J Guard Band channels associated with the A1-A3 channels that are being leased and subleased to Fulair.

Approval of the above-described leases and subleases is in the public interest because it will enable T-Mobile and Fulair to better achieve their business and service objectives of providing improved and continued access to broadband coverage and enhanced data capacity using contiguous 2.5 GHz EBS spectrum bands in the greater Lake Charles area as T-Mobile and Fulair continue upgrading and enhancing their respective networks. As such, grant of these lease and sublease applications will meet the Commission's goal of more efficient use of the spectrum and will serve the public's interest in obtaining better broadband service to rural consumers.

Spectrum Aggregation/Competition Analysis

As outlined above, the instant transaction involves an exchange of spectrum through the use of secondary market leases and subleases to enable greater spectrum contiguity for T-Mobile and Fulair. These spectrum exchanges will enable various combinations of 20 MHz, 40 MHz, and 80 MHz deployments in the Lake Charles area which would not be achievable without the instant exchanges due to the interleaved nature of the parties' existing spectrum holdings.

Pursuant to the spectrum exchanges, Fulair will realize a gain of 22.5 MHz in five parishes.⁹ In each case, however, Fulair's attributable spectrum holdings remain well below the Commission's applicable spectrum screen.¹⁰ In the five parishes where Fulair will realize an increase in its spectrum holdings, Fulair's holdings will rise from 22.5 to 39 MHz.¹¹ Because these figures are well below the Commission's applicable spectrum screen there is no need for any further Commission review.

⁹ Allen Parish, Beauregard Parish, Calcasieu Parish, Cameron Parish and Jefferson Davis Parish. See Exhibit 3 (Spectrum Aggregation for Fulair).

¹⁰ With the completion of the C-Band 3.7 GHz Auction and the 3.45 GHz Auction, 380 MHz of additional mid-band spectrum has now also been added to the Commission's wireless spectrum screen. With a total amount of 1124 MHz subject to the screen, 385 MHz is the screen threshold for local market analysis.

¹¹ See Exhibit 3 (Spectrum Aggregation for Fulair). In the five parishes where Fulair acquires access to the BRS1 channel (2496 – 2502 MHz), while it is technically a gain of spectrum, it is not a gain of *attributable* spectrum since BRS1 is not counted in the Commission's spectrum screen analysis. See Policies Regarding Mobile Spectrum Holdings, Report & Order, 29 FCC Rcd 6133 at ¶ 118 (2014) ("Mobile Spectrum Holdings Order"). Of note, because the instant transaction is not an assignment but a series of leases, both Fulair and T-Mobile retain all of their spectrum for attribution purposes even when the other Party will be utilizing the spectrum. In other words, for attribution purposes, the instant exchanges do not result in loss of any spectrum – only gains.

Pursuant to the spectrum exchanges, T-Mobile realizes a spectrum attribution gain in just one parish of 23.5 MHz.¹² However, T-Mobile currently does not and will not exceed the Commission's 385 MHz spectrum screen threshold in this parish. In the remaining seven counties T-Mobile's spectrum holdings do not increase and remains between 340 MHz and 350 MHz.¹³ Because the Commission recently and thoroughly considered T-Mobile's spectrum aggregation holdings, even in those areas where T-Mobile exceeded the Commission's spectrum screen, the Commission should not require lengthy review.

Access to 2.5 GHz spectrum in these markets will promote the important objective of T-Mobile's expeditious deployment of its 5G network. As part of the Sprint Merger, T-Mobile has committed to build out a nationwide 5G network serving 97 percent of the U.S. population in three years and 99 percent in six years.¹⁴ In rural areas, T-Mobile must have 5G coverage for 85 percent of the population in three years and then 90 percent in six years.¹⁵ The Commission stressed the general benefits of 5G deployment: "Building leading 5G networks is of critical importance for our nation. . . . [T]he deployment of 5G networks 'holds the potential to bring enormous benefits to American consumers by delivering faster speeds and lower latency and by supporting the development of advanced applications like the Internet of Things, smart cities, and telehealth.'" ¹⁶ The Commission also recognized that "'America's appetite for wireless broadband service is surging' and '[e]nabling next generation wireless networks and closing the digital divide will require efficient utilization of the low-, mid-, and high-bands.'" ¹⁷

¹² Calcasieu Parish. See Exhibit 2 (Spectrum Aggregation for T-Mobile). In the other seven counties, T-Mobile already has access to the 2.5 GHz spectrum through its owned spectrum, pending spectrum to T-Mobile as part of the Commission's Auction 108 and existing leasing arrangements (resulting in no additional spectrum aggregation), or the geographical gains are de minimis and not counted.

¹³ Exhibit 2 includes 2.5 GHz spectrum which is pending to T-Mobile as part of the Commission's review of its long-form applications for Auction 108.

¹⁴ See Merger Approval Order, ¶ 26.

¹⁵ *Id.* ¶ 27.

¹⁶ *Id.* ¶ 3, citing *Updating the Commission's Rule for Over-the-Air Reception Devices*, Notice of Proposed Rulemaking, 34 FCC Rcd 2695, ¶ 1 (2019).

¹⁷ *Id.* ¶ 97, citing *Expanding Flexible Use of the 3.7 to 4.2 GHz Band; Expanding Flexible Use in Mid-Band Spectrum Between 3.7 and 24 GHz; Petition for Rulemaking to Amend and Modernize Parts 25 and 101 of the Commission's Rules to Authorize and Facilitate the Deployment of Licensed Point-to-Multipoint Fixed Wireless Broadband Service in the 3.7-4.2 GHz Band; Fixed Wireless Communications Coalition, Inc., Request for Modified Coordination Procedures in Band Shared Between the Fixed Service and the Fixed Satellite Service*, GN Docket No. 18-122, GN Docket No. 17-183 (Terminated), RM 11791, RM-11778, Order and Notice of Proposed Rulemaking, 33 FCC Rcd 6915, 6917, ¶¶ 3-4 (2018) ("3.7-4.2 Order and NPRM").

In approving the Sprint Merger, the Commission specifically found that:

“[c]ompared to the capabilities of the standalone companies as reflected in their internal plans, the transaction will significantly increase the quality and geographic reach of their wireless networks for the foreseeable future. . . . In an economy increasingly dependent upon access to broadband services for innovation in a wide variety of sectors and services, these network deployment synergies will yield significant public interest benefits. . . . The network benefits of the transaction are particularly important for the nation’s underserved rural areas. . . . By bringing new connectivity and competition to underserved rural areas, the transaction will help to ensure that 5G will close the digital divide.”¹⁸

Although the Sprint Merger resulted in T-Mobile being attributed spectrum in excess of the screen in a number of CMAs, the Commission noted that “the combination of spectrum and other resources brought together as a result of the proposed transaction would give T-Mobile the capability to deploy a highly robust nationwide 5G network” and added that “the benefits depend to a significant extent on the extensive deployment of 2.5 GHz spectrum” and that the “transaction will therefore significantly increase the overall utilization of the 2.5 GHz spectrum.”¹⁹ The Commission has stated that “[m]id-band spectrum [*i.e.*, 1 GHz to 6 GHz²⁰] is well-suited for next generation wireless broadband services due to the combination of favorable propagation characteristics (compared to high bands) and the opportunity for additional channel re-use (as compared to low bands).”²¹ It has also recognized “the complementarity of low-band and mid-band spectrum particularly for data services. By adding 2.5 GHz mid-band spectrum to a cell site, that spectrum can be used to serve the demand close to the cell site, leaving more capacity on the low-band 600 MHz spectrum free for use by those further from the cell site.”²²

All of the foregoing analysis is particularly relevant here, as T-Mobile seeks access to Fulair’s 2.5 GHz spectrum to enhance its 2.5 GHz operations in the EBS portion of the 2.5 GHz

¹⁸ *Id.* ¶¶ 5-7.

¹⁹ *Id.* ¶¶ 97-98.

²⁰ *Id.* ¶ 28.

²¹ *Id.* ¶ 237, citing 3.7-4.2 *Order and NPRM*, 33 FCC Rcd at 6917-18, ¶ 5.

²² *Id.* ¶ 238. The Commission also described the benefits of the combination of low-band and mid-band spectrum to deliver improved, broader services in rural areas, *Id.*, and recognized “that New T-Mobile’s network will have sufficient excess capacity to offer a new in-home broadband service to millions of homes, including underserved homes in rural areas . . . ,” *Id.* ¶ 282.

band, including multiple counties that are defined as rural.²³ In this case six counties will be part of the rural buildout that T-Mobile has committed to. In each of the counties, access to this 2.5 GHz spectrum will fill in coverage gaps at 2.5 GHz, enable a more contiguous 2.5 GHz footprint, and provide additional data capacity to better meet consumer demand for evolving broadband speeds and service quality.

Similarly, for Fulair, access to T-Mobile's 2.5 GHz spectrum will enhance its 2.5 GHz operations in the Lake Charles area, enabling a robust fixed broadband experience in six rural counties. In each area, access to the 2.5 GHz spectrum will fill in coverage gaps at 2.5 GHz, enable a more contiguous footprint and provide additional data capacity to better meet consumer demand for evolving broadband speeds and service quality.

The only spectrum covered by this application is above 1 GHz, so the screen for below-1-GHz spectrum is not implicated for either Fulair or T-Mobile.²⁴ In addition, there are other carriers serving the markets in which T-Mobile and Fulair will be leasing the spectrum (*see Exhibit 4 hereto*), which ensures that a high degree of competition will continue to exist. Further, in none of the four markets involved in these applications will any nationwide carrier be removed from the market. For all of these reasons, the instant transaction should not trigger the need for additional competitive review.

T-Mobile US Foreign Ownership Disclosure

TDI Acquisition Sub LLC ("Applicant") is a wholly owned subsidiary of T-Mobile USA, Inc. and, indirectly, T-Mobile US, Inc. ("T-Mobile US"), a U.S.-organized, publicly traded company and part of the family of companies that operate under the T-Mobile® brand names. Deutsche Telekom AG ("DT"), a publicly traded German company based in Bonn Germany,²⁵ directly holds approximately 5.40 percent of T-Mobile US. DT also indirectly holds approximately a 44.3 percent interest in T-Mobile US through its wholly owned subsidiary T-Mobile Global Zwischenholding GmbH ("T-Mobile Global"). This subsidiary owns all of the equity and voting interests of T-Mobile Global Holding GmbH ("T-Mobile Holding"), which owns all of the equity and voting interests of Deutsche Telekom Holding B.V. ("DT Holding B.V."), which, in turn, holds approximately 44.3 percent interest in T-Mobile US. DT has *de facto* control

²³ Newton County and Allen, Beauregard, Cameron, Jefferson Davis and Vermilion Parishes in this transaction are defined as rural. *See* List of Rural Counties And Designated Eligible Census Tracts in Metropolitan, Office of Rural Health Policy, [List of Rural Counties \(hrsa.gov\)](https://hrsa.gov) (last visited on March 21, 2023).

²⁴ T-Mobile's attributable holdings of below-1 GHz spectrum both pre- and post-transaction remain unchanged at 66 MHz. *See Exhibit 2* (Spectrum Aggregation for T-Mobile). Fulair has no below-1 GHz spectrum. *See Exhibit 3* (Spectrum Aggregation for Fulair).

^{25/} Germany is a signatory to the World Trade Organization Basic Agreement on Telecommunications.

over T-Mobile US – and thus Applicant – as a result of proxy agreements that authorize DT to vote a majority of the stock of T-Mobile US. As a result, DT is deemed to indirectly hold 100 percent of the ownership interests in Applicant.

By order released November 5, 2019, the Commission granted, subject to certain conditions, T-Mobile US's Petition for Declaratory Ruling under Section 310(b)(4) of the Communications Act on behalf of its current and future licensee and lessee subsidiaries that it would not serve the public interest to prohibit indirect foreign ownership by DT and its subsidiaries of T-Mobile US and its subsidiaries of up to 100 percent and authority for up to 49.99 percent ownership by certain other foreign minority interest holders.^{26/} T-Mobile US's petition was filed in connection with the Sprint Merger. That ruling specifically permitted the direct and/or indirect foreign equity and voting interests which the Commission found would be held in T-Mobile US upon closing of the Sprint Merger and also specifically permitted the foreign entities with a controlling interest in T-Mobile US (*i.e.*, DT Holding B.V., T-Mobile Holding, T-Mobile Global and DT) to increase the aggregate level of their controlling ownership interests in the reorganized T-Mobile US, at some future time, up to any amount, including 100 percent of T-Mobile US's equity and voting interests. That declaratory ruling, in accordance with Section 1.5001(c)(1) of the rules, specifically listed as covered by such ruling Applicant (among other licensee subsidiaries of T-Mobile USA) and the type of wireless service licenses that are the subject of the instant transaction. The foreign ownership in the licensees as approved has not materially changed since November 5, 2019 and will not be affected by the instant transaction.

Conclusion

T-Mobile and Fulair respectfully submit that the proposed transaction will advance the public interest by enhancing their abilities to continue to expand their array of commercial wireless services in the Lake Charles, Louisiana area. Therefore, for the reasons set forth above, T-Mobile and Fulair respectfully submit that Commission approval of the requested leases and subleases will serve the public interest.

^{26/} See IBFS File No. ISP-PDR-20180618-00002 (filed June 18, 2018); granted by *Applications of T-Mobile US, Inc., and Sprint Corporation For Consent To Transfer Control of Licenses and Authorizations et al.*, Memorandum Opinion and Order, Declaratory Ruling, and Order of Proposed Modification, 34 FCC Rcd 10578, ¶¶ 361-63 (2019).